
Iowa Legislative Fiscal Bureau

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State Capitol
Des Moines, IA 50319
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Summary of Regent Bonding

ISSUE

The Board of Regents has issued \$926.2 million of revenue bonds since 1963 with \$509.1 million of outstanding principal as of June 30, 1995. Of this bonded indebtedness, \$518.1 million of Academic Revenue Bonds has been issued with \$284.1 million of outstanding principal. Outstanding principal is the amount of principal remaining on June 30, 1995. A General Fund appropriation called Tuition Replacement has traditionally paid for the debt service (principal and interest) of the Academic Revenue Bonds. This *Issue Review* summarizes the bonded indebtedness of the Board of Regents, the process of bonding, and the practice of refunding debt.

AFFECTED AGENCIES

Board of Regents

CODE AUTHORITY

Chapter 262 and Chapter 262A, Code of Iowa

BACKGROUND

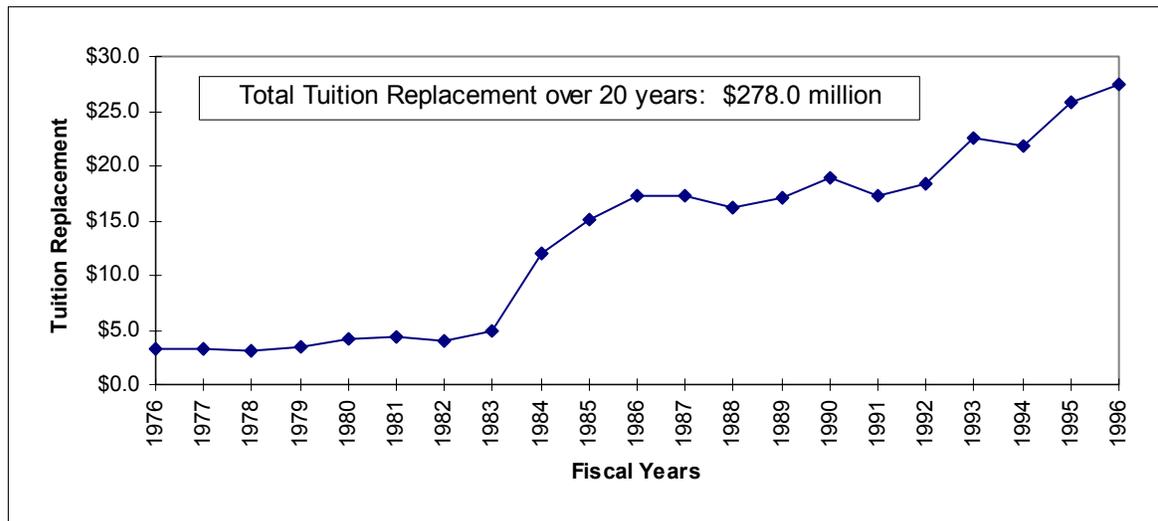
Academic Revenue Bonds

Academic Revenue Bonds are issued for academic buildings and other facilities used primarily for instructional and research purposes and to provide supporting services to the instructional and research programs. This includes the additions to buildings and facilities, the reconstruction, completion, equipment, improvement and repair, or remodeling of building and facilities. The Board of Regents is required to submit annually a proposed five-year building program for each institution, including an estimate of the maximum amount of bonds the Board expects to issue during the next biennium. The Legislature and the Governor can approve the five-year building program and authorize a maximum amount of bonding authority for certain projects. The Legislature does not approve the terms or structure of the debt such as interest rate or payment schedule.

After authorization of the Academic Revenue Bonds, the Board of Regents will release and accept bids for the sale of bonds. Student fees and charges are used to guarantee the

bonds. However, a General Fund appropriation called Tuition Replacement has in the past replaced all of the student fees and charges as repayment. This method allows the State to pay the full debt service requirement on Academic Revenue Bonds but does not constitute a debt or a charge against the State of Iowa for any constitutional or statutory limitation or provision. **Table 1** shows past Tuition Replacement appropriations.

Table 1
FY 1976 - FY 1996 Tuition Replacement Appropriations (In Millions)



Other Bonding

The Code of Iowa authorizes the Board of Regents to issue bonds for dormitories, university hospitals, and other self-liquidating or self-supporting facilities.

Hospital Revenue bonds are issued to finance projects at the University of Iowa Hospitals and Clinics. The Hospital Revenue Bonds need a constitutional majority of the General Assembly to be sold. Patient revenue pays the debt service (principal and interest) on the Hospital Revenue Bonds.

Self-Liquidating Facilities Bonds also called Self-Supporting are issued to finance projects at the Regent institutions. The projects are limited to student unions, recreational buildings, auditoriums, stadiums, field houses, athletic buildings and areas, parking structures and areas, and certain other projects. Sale of the Self-Liquidating Facilities Bonds only need Regent approval and do not require legislative approval.

Bond Refunding

The Code of Iowa also authorizes the Board of Regents to refund or refinance bonds. The Board of Regents has the authority to change any terms through refunding such as raising or lowering the interest rate. The bonds can be refunded to change the debt structure such as extending principal payments into the future.

CURRENT SITUATION***Summary of Bonds Issued***

The Board of Regents has issued \$926.2 million of revenue bonds with \$509.1 million of outstanding principal as of June 30, 1995 (See **Table 2**). Of the total outstanding principal, the University of Iowa has \$250.9 million (49.3%), Iowa State University has \$185.6 million (36.5%), and the University of Northern Iowa has \$72.6 million (14.3%). Of the Academic Revenue Bonds outstanding principal, the University of Iowa has \$116.8 million (41.1%), Iowa State University has \$111.2 million (39.1%), and the University of Northern Iowa has \$56.2 million (19.8%).

Table 2
Revenue Bonds for the Regent Universities (In Millions)
As of June 30, 1995

<u>Type of Revenue Bonds</u>	<u>Initial Principial</u>	<u>Total Interest Cost</u>	<u>Principal Outstanding</u>
Academic Revenue Bonds	\$ 518.1	\$ 290.5	\$ 284.1
Dormitory Bonds	98.2	84.8	45.1
Self-Supporting Facility Bonds	239.3	105.7	152.7
Project Notes	10.6	1.8	0.0
University Hospitals	60.0	57.6	27.2
	<u>\$ 926.2</u>	<u>\$ 540.4</u>	<u>\$ 509.1</u>

Summary of Bond Terms

Attachment 1 is a list of bonding authority by institution including the purpose of the bonding authority for FY 1990 through FY 1995. **Attachment 2** is a list of revenue bonds for each institution which includes the year of issue, net interest rate, initial principal, total interest costs, principal outstanding, and payout year. **Attachment 2** is sorted by type of bond. **Table 3** is a summary of **Attachment 2**. The summary shows the lowest and highest net interest rate and payout year by type of bond for each institution. The payout year is the fiscal year that the last principal and interest payment is made.

Table 3
Bond Terms for Outstanding Debt
As of June 30, 1995

<u>Type of Revenue Bonds</u>	<u>Issue Dates</u>	<u>Lowest Net Interest Rate</u>	<u>Highest Net Interest Rate</u>	<u>Lowest Payout Year</u>	<u>Highest Payout Year</u>
University of Iowa					
Academic Revenue Bonds	1977-1995	4.52%	6.66%	1997	2020
Dormitory Bonds	1963-1992	3.65%	4.74%	2000	2007
Self-Supporting Facility Bonds	1968-1995	4.73% *	7.14%	1996	2013
University Hospitals	1973-1983	5.75%	8.34%	2000	2003
Iowa State University					
Academic Revenue Bonds	1977-1995	4.49%	6.54%	1997	2020
Dormitory Bonds	1964-1967	3.00%	4.31%	2004	2008
Self-Supporting Facility Bonds	1968-1995	5.08%	7.24%	2008	2013
University of Northern Iowa					
Academic Revenue Bonds	1977-1995	4.58%	7.05%	1997	2020
Dormitory Bonds	1964-1992	3.62%	6.05%	1998	2018
Self-Supporting Facility Bonds	1967-1974	4.43%	6.99%	1997	2005

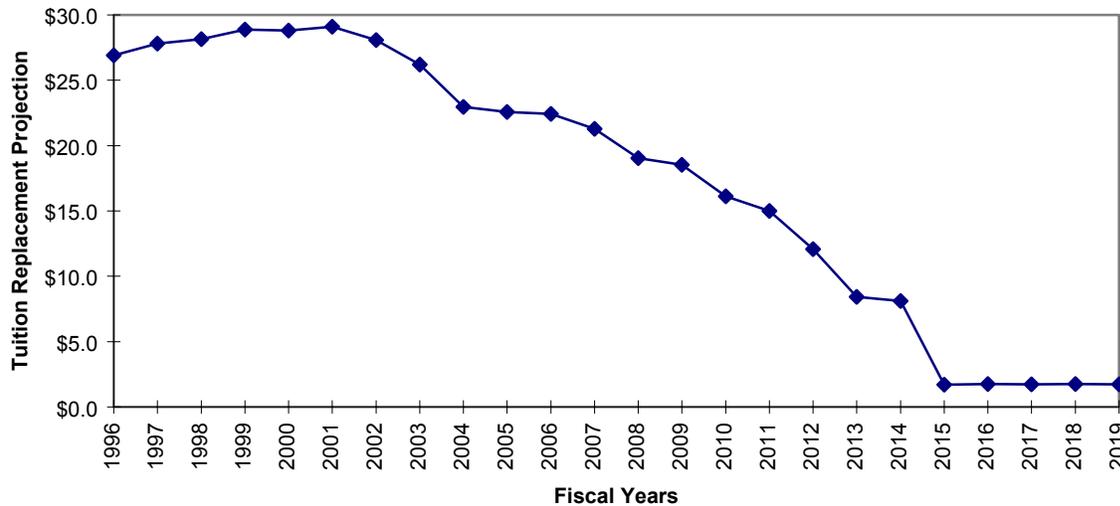
* One of the Self-Supporting Facility Bonds is a variable interest rate issue.

Summary of Tuition Replacement

The Tuition Replacement appropriation replaces the student fees and charges that guarantees the debt service requirement on Academic Revenue Bonds. Tuition Replacement is calculated based on the fiscal year's debt service requirement (principal and interest payment) less interest earned. Interest is earned on bond proceeds and debt reserve funds. **Table 4** is a projection of Tuition Replacement for FY 1996 to FY 1997. The Tuition Replacement appropriation has been overfunded in the past. The funds either revert to the General Fund or transfer to another budget unit. When estimating Tuition Replacement the debt service requirement is usually known and the interest earnings are unknown. The majority of the overfunding is due to:

- Project delays which allow the institutions to hold the bond proceeds longer than estimated. This allows more interest to be earned on the bond proceeds.
- Higher interest rates than estimated.

Table 4
Tuition Replacement Projections (In Millions)
Includes all Bond Sales Through December 1995



Explanation of Refunding

The Board of Regents has the authority to change bond terms through refunding such as raising or lowering the interest rate. The bonds can be refunded to change the debt structure such as extending the principal payments into the future. Refunding is also called refinancing. The Legislature does not have to approve the refunding. When Academic Revenue Bonds are refunded, Tuition Replacement is directly affected.

The Board of Regents has refunded 15 Academic Revenue Bond original issues into 12 Academic Revenue Bond refunded issues. This does not include refunded project notes. The original issues had \$115.3 million in outstanding principal at refunding. The net proceeds of the refunded issues was \$131.6 million. The outstanding principal of the original issue less the net proceeds in the refunded issues results in an accounting loss of \$16.3 million. The refunded issues have debt service payments (principal and interest) of \$7.8 million more than the original issues.

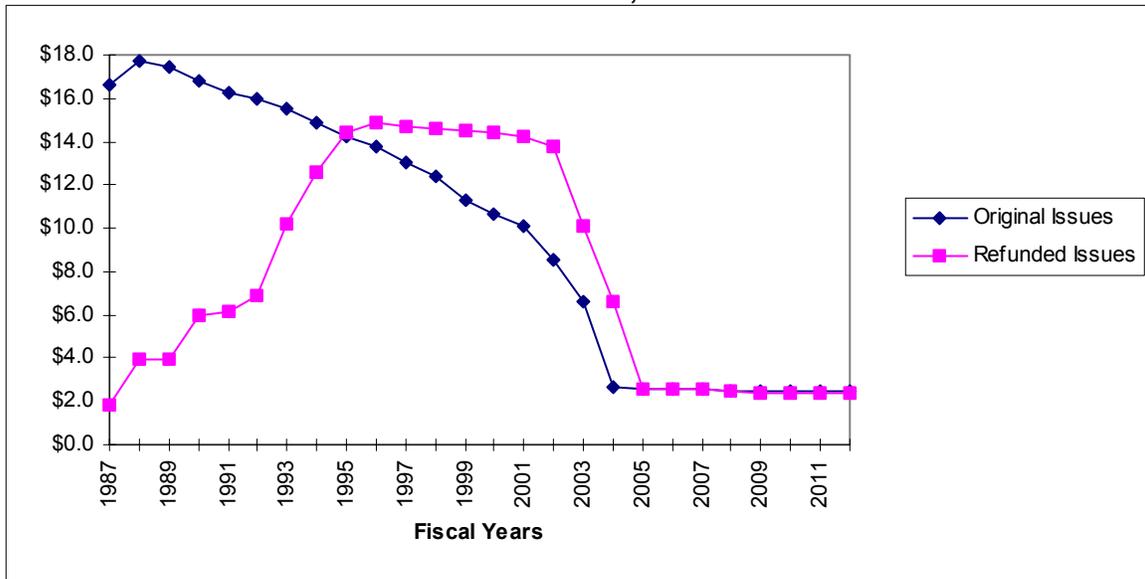
The original projected economic gain from refunding is \$6.4 million. Economic gain is calculated by comparing the present value of the original issue debt service to the present value of the refunded issue debt service. The bond yield as determined for federal tax compliance purposes is used as the discount factor in the present value calculation. If the present value of the refunded issue debt service is less than the original issue, an economic gain is achieved.

Over the life of the bonds that have been refunded, bond payments on the refunded issues will be \$7.8 million more than the bond payments that would have been made on the original issue. However, the bond payments of the refunded issues are further into the future. Since the payments are further into the future, the present value (today's dollar value) is less than the present value of the bond payments of the original issue which results in an economic gain.

For example, a \$60 payment is made at the end of 10 years or a \$5 payment is made for 10 years. The \$60 payment is \$10 more than the \$5 payments for 10 years. However, the present value of the \$60 is less than the present value of the \$5 payments assuming a 5.0% discount rate. An economic gain would be achieved if the \$60 payment is selected.

The refunded issues individually resulted in an economic gain from \$38,000 to \$1.8 million. The refunded issues with lower economic gain were refunded to restructure the debt rather than to achieve savings. **Table 5** compares the debt service requirement of the original issues versus the refunded issues. The annual debt service requirement was reduced before FY 1995 and increased from FY 1995 to FY 2005 due to refunding.

Table 5
Original Debt Schedules versus Refunded Debt Schedules (In Millions)
Academic Revenue Bonds
As of June 30, 1995



The Legislature allowed the Board of Regents to issue project notes for General Fund building appropriations that were deappropriated. The initial principal of the project notes was \$10.6 million. The project notes were issued in anticipation that the General Fund would repay the notes. The principal on the project notes is not repaid until the due date, only interest payments are made. Interest payments were included in the Tuition Replacement appropriation. Since the General Fund did not pay the principal of the notes, the Board of Regents refunded the notes with Academic Revenue Bonds in FY 1994 and FY 1995. The project notes cost \$1.7 million in interest plus issue costs and no principal was paid for approximately a three-year period.

ALTERNATIVES

Possible alternatives include:

- The Executive Council, Legislature, or Legislative Council could review and authorize the terms and structure of Academic Revenue Bonds and refunded Academic Revenue Bonds since the State General Fund is directly responsible for the debt service payments.
- Require the Board of Regents to use other sources of funds to partially pay the debt service payments of the Academic Revenue Bonds so the Tuition Replacement appropriation does not have to fully fund the debt service. Other sources of funds could include such items as tuition from out-of-state students and indirect cost reimbursement.

BUDGET IMPACT

Only Academic Revenue bonds affect the General Fund through the Tuition Replacement appropriation. As more Academic Revenue Bonds are authorized, the appropriation will need to be increased and vice versa.

STAFF CONTACT: Jon Studer (Ext. 17799)

**IOWA BOARD OF REGENTS
DISTRIBUTION OF BONDING AUTHORITY BY INSTITUTION
FY 1990 through FY 1995**

		<u>SUI</u>	<u>ISU</u>	<u>UNI</u>
<u>Academic Building Revenue Bonds/Project Notes</u>				
Jul-89	Molecular Biology, LeBaron Hall, Vet Med,		\$10,000,000 **	
Jan-90	Meats Lab Addition		12,500,000 **	
Apr-90	Laser Lab/International Center	\$11,100,000 *		
Mar-91	Fire Safety and Business Building	15,000,000		
Jun-91	Seerley Hall Remodeling/Fire Safety			\$5,530,000
Jun-91	Wright Hall Remodeling/ Library Building Addition Planning			\$2,180,000
Aug-91	Sweeney Hall Renovation/Fire Safety		9,185,000	
Aug-91	Fire Safety and Deferred Maintenance		8,055,000	
Oct-91	Maclean Hall Remodeling/ Pharmacy Building Addition Planning	\$1,345,000		
Dec-91	Gilman Hall Remodeling/ Swine Nutrition Research Facility		\$7,100,000	
Mar-92	Business Building	11,585,000		
Mar-92	Fire Safety & Deferred Maintenance	8,035,000		
May-92	Fire Safety & Deferred Maintenance			3,900,000
Jun-93	Library Addition Construction			7,440,000
Aug-93	Pharmacy Building Addition Construction	8,935,000		
Sep-94	Swine & Cattle Units/Livestock Planning/ Fire Safety & Deferred Maintenance		6,545,000	
Nov-94	Price Lab Field House/Wellness Center/ Fire Safety & Deferred Maintenance			9,201,000
Jan-95				5,810,000
Jan-95	Schaeffer Hall/Fire Safety & Def. Main.	9,140,000		
TOTAL		<u>\$65,140,000</u>	<u>\$53,385,000</u>	<u>\$34,061,000</u>

* Part of a total authorization of \$25.1 million of which \$14 million in bonds were sold in October 1987 and February 1989
 ** Part of a total authorization of \$37.5 million of which \$15 million in bonds were sold in October 1987 and October 1989

**STATE BOARD OF REGENTS
REVENUE BONDS FOR THE UNIVERSITY OF IOWA
AS OF 30 JUNE 1995**

<u>Type of Revenue Bonds</u>	<u>Year of Issue</u>	<u>Net Interest Rate</u>	<u>Initial Principal</u>	<u>Total Interest Costs</u>	<u>Principal Outstanding (1)</u>	<u>Payout Year</u>	
ACADEMIC REVENUE BONDS	1970	5.26%	\$ 7,920,000	\$ 4,625,600	\$ -	1991	
	1972	4.58%	\$ 3,750,000	\$ 1,879,938	\$ -	1992	
	1977	4.92%	\$ 3,140,000	\$ 1,743,582	\$ 350,000	1997	
	1981	10.21%	\$ 9,085,000	Refunded	Refunded	(3)	
	1982	10.88%	\$ 12,970,000	Refunded	Refunded	(3)	
	1983	7.58%	\$ 10,000,000	Refunded	Refunded	(10)	
	1984	8.29%	\$ 14,770,000	Refunded	Refunded	(9)	
	1986	6.29%	\$ 23,850,000	\$ 15,867,653	\$ 15,050,000	(4)	2002
	1987	7.17%	\$ 10,550,000	Refunded	Refunded	(12)	
	1987	7.27%	\$ 5,000,000	Refunded	Refunded	(12)	
	1989	6.66% (8)	\$ 8,999,892	\$ 11,830,244	\$ 7,496,387		2008
	1990	6.52%	\$ 11,100,000	\$ 11,979,873	\$ 10,450,000		2013
	1991	6.28% (8)	\$ 14,999,748	\$ 17,567,252	\$ 14,457,480		2010
	1992	6.07%	\$ 19,620,000	\$ 18,117,407	\$ 19,010,000		2015
	1992	4.82%	\$ 10,320,000	\$ 3,790,206	\$ 9,455,000	(4)	2004
	1992	4.66%	\$ 6,650,000	\$ 1,720,584	\$ 4,680,000	(4)	2003
	1993	4.52%	\$ 8,935,000	\$ 5,715,285	\$ 8,765,000		2015
	1993	4.57%	\$ 16,900,000	\$ 8,949,318	\$ 16,590,000	(4)	2012
	1994	4.96%	\$ 1,345,000	\$ 918,305	\$ 1,325,000	(13)	2015
	1995	6.14%	\$ 9,140,000	\$ 10,028,379	\$ 9,140,000		2020
Subtotal			\$ 209,044,640	\$ 114,733,626	(6) \$ 116,768,867		
DORMITORY SYSTEM	1963	3.65%	\$ 16,500,000	\$ 15,394,375	\$ 5,725,000	2003	
	1965	3.43%	\$ 2,425,000	\$ 1,843,575	\$ 500,000	2000	
	1966	4.18%	\$ 7,785,000	\$ 9,823,150	\$ 5,100,000	2007	
	1983	7.80%	\$ 7,500,000	Refunded	Refunded	(10)	
	1992	4.74%	\$ 6,325,000	\$ 1,913,778	\$ 4,995,000	(4)	2003
Subtotal			\$ 40,535,000	\$ 28,974,878	\$ 16,320,000		

ATTACHMENT 2

**STATE BOARD OF REGENTS
REVENUE BONDS FOR THE UNIVERSITY OF IOWA
AS OF 30 JUNE 1995**

<u>Type of Revenue Bonds</u>	<u>Year of Issue</u>	<u>Net Interest Rate</u>	<u>Initial Principal</u>	<u>Total Interest Costs</u>	<u>Principal Outstanding (1)</u>	<u>Payout Year</u>
SELF-SUPPORTING FACILITIES:						
Hancher Auditorium	1968	5.57%	\$ 5,500,000	Defeased (5)	Defeased (5)	
Recreation Building	1968	5.57%	\$ 2,125,000	\$ 3,214,270	\$ 1,200,000	2008
Athletic Facilities	1980	7.32%	\$ 14,250,000	Refunded	Refunded (11)	
Telecommunications	1985	7.14%	\$ 20,000,000	\$ 10,469,838	\$ 2,900,000	1996
Utility Revenue Bonds	1985	Variable (2)	\$ 35,700,000	Variable	\$ 32,775,000	2013
Iowa Memorial Union	1986	6.16%	\$ 9,000,000	\$ 11,195,334	\$ 7,200,000	2009
Parking System	1988	6.06%	\$ 9,200,000	\$ 4,942,728	\$ 5,625,000	2002
Utility Revenue Bonds	1989	5.61%	\$ 9,660,000	\$ 3,424,900	\$ 6,000,000	1999
Utility Revenue Bonds	1993	4.73%	\$ 11,360,000	\$ 5,483,272	\$ 11,360,000	2009
Athletic Facilities	1992	4.92%	\$ 10,300,000	\$ 3,169,945	\$ 8,220,000	(4) 2004
Levitt Center for Univ. Advance.	1995	5.22%	\$ 15,335,000	\$ 8,879,824	\$ 15,335,000	2012
Subtotal			<u>\$142,430,000</u>	<u>\$ 50,780,111</u> (6)	<u>\$ 90,615,000</u>	
PROJECT NOTES:						
Academic Buildings:	1991	5.22%	\$ 1,345,000	\$ 193,364	\$ -	1994
UNIVERSITY HOSPITALS						
	1973	5.75%	\$ 10,000,000	\$ 11,625,115	\$ 5,000,000	2003
	1978	6.02%	\$ 12,000,000	\$ 12,500,653	\$ 7,200,000	2003
	1980	8.34%	\$ 18,000,000	\$ 17,270,200	\$ 6,000,000	2000
	1983	7.41%	\$ 20,000,000	\$ 16,183,750	\$ 9,000,000	2003
Subtotal			<u>\$ 60,000,000</u>	<u>\$ 57,579,718</u>	<u>\$ 27,200,000</u>	
UNIVERSITY TOTAL (7)			<u>\$453,354,640</u>	<u>\$252,261,697</u> (6)	<u>\$250,903,867</u>	

**STATE BOARD OF REGENTS
REVENUE BONDS FOR THE UNIVERSITY OF IOWA
AS OF 30 JUNE 1995**

<u>Type of Revenue Bonds</u>	<u>Year of Issue</u>	<u>Net Interest Rate</u>	<u>Initial Principal</u>	<u>Total Interest Costs</u>	<u>Principal Outstanding (1)</u>	<u>Payout Year</u>
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Notes:

- (1) As of June 30, 1995.
- (2) Bonds issued as variable rate securities with option to convert to fixed rate. Conversion to fixed rate completed January 3, 1989.
- (3) Issues refunded September, 1986.
- (4) Advance Refunding bonds.
- (5) Issue defeased through cash escrow in March, 1986.
- (6) Does not include variable rate interest on Utility Revenue Bonds or interest on refunded and/or defeased bonds.
- (7) University total figures do not include bonds issued by the University of Iowa Facilities Corporation to finance the Human Biology Research Facility. \$16,800,000 in variable rate and \$8,000,000 in fixed rate bonds were issued in September, 1985.
- (8) Capital Appreciation Bonds; rate shown is T.I.C. (True Interest Cost).
- (9) Issue refunded July, 1992.
- (10) Issues refunded September, 1992.
- (11) Issue refunded November, 1992.
- (12) Issue refunded October, 1993.
- (13) Refunding of 1991 Project Notes.

**STATE BOARD OF REGENTS
REVENUE BONDS FOR IOWA STATE UNIVERSITY
AS OF 30 JUNE 1995**

Type of Revenue Bonds	Year of Issue	Net Interest Rate	Initial Principal	Total Interest Costs	Principal Outstanding (1)	Payout Year	
ACADEMIC REVENUE BONDS	1971	4.99%	\$ 1,165,000	\$ 628,503	\$ -	1991	
	1971	4.68%	\$ 2,445,000	\$ 1,256,648	\$ -	1992	
	1972	5.10%	\$ 6,485,000	\$ 3,551,258	\$ -	1992	
	1973	4.88%	\$ 6,185,000	\$ 3,426,094	\$ -	1994	
	1977	4.92%	\$ 3,600,000	\$ 1,994,551	\$ 400,000	1997	
	1981	11.19%	\$ 6,600,000	Refunded	Refunded	(3)	
	1982	10.16%	\$ 9,000,000	Refunded	Refunded	(3)	
	1982	8.82%	\$ 15,030,000	Refunded	Refunded	(4)	
	1983	8.39%	\$ 18,000,000	Refunded	Refunded	(8)	
	1984	8.59%	\$ 12,495,000	Refunded	Refunded	(9)	
	1986	6.47%	\$ 15,130,000	\$ 10,244,263	\$ 9,630,000	(6)	2002
	1987	6.17%	\$ 7,400,000	\$ 7,984,215	\$ 6,625,000		2012
	1987	6.32%	\$ 13,630,000	\$ 9,290,442	\$ 9,980,000	(6)	2003
	1987	7.27%	\$ 5,000,000	Refunded	Refunded	(10)	
	1988	6.54% (7)	\$ 10,000,000	\$ 13,485,904	\$ 8,425,000		2008
	1989	6.38%	\$ 10,000,000	\$ 11,022,508	\$ 9,350,000		2013
	1990	6.37%	\$ 12,500,000	\$ 13,301,190	\$ 11,650,000		2013
	1991	6.07%	\$ 17,240,000	\$ 15,563,860	\$ 16,700,000		2015
	1991	5.76%	\$ 13,365,000	\$ 6,402,313	\$ 11,525,000	(6)	2004
	1992	5.13%	\$ 9,425,000	\$ 3,635,938	\$ 8,030,000	(6)	2004
1993	4.49%	\$ 5,315,000	\$ 2,782,950	\$ 5,225,000	(6)	2012	
1994	5.31%	\$ 6,545,000	\$ 6,116,128	\$ 6,545,000		2020	
1995	5.48%	\$ 7,100,000	\$ 5,531,880	\$ 7,100,000		2015	
Subtotal			\$ 213,655,000	\$ 116,218,645	(5) \$ 111,185,000		
DORMITORY SYSTEM	1964	3.54%	\$ 15,000,000	\$ 13,844,940	\$ 5,760,000		2004
	1965	3.54%	\$ 1,600,000	\$ 1,601,435	\$ 830,000		2005
	1966	3.92%	\$ 2,200,000	\$ 2,081,118	\$ 815,000		2005
	1967	4.31%	\$ 8,190,000	\$ 10,239,510	\$ 5,065,000		2007
	1967	3.00%	\$ 3,000,000	\$ 2,154,750	\$ 1,325,000		2008
	1976	5.33%	\$ 3,000,000	\$ 1,299,046	\$ -		1989
Subtotal			\$ 32,990,000	\$ 31,220,799	\$ 13,795,000		

**STATE BOARD OF REGENTS
REVENUE BONDS FOR IOWA STATE UNIVERSITY
AS OF 30 JUNE 1995**

Type of Revenue Bonds	Year of Issue	Net Interest Rate	Initial Principal	Total Interest Costs	Principal Outstanding (1)	Payout Year
SELF-SUPPORTING FACILITIES						
Field House (Hilton Coliseum)	1968	5.08%	\$ 6,800,000	\$ 9,638,465	\$ 3,920,000	2008
Telecommunications	1985	7.08%	\$ 11,000,000	\$ 5,190,750	-	1995
Utility Revenue Bonds	1985	Variable (2)	\$ 32,500,000	Variable	\$ 29,825,000	2013
Durham Computation Center	1986	7.24%	\$ 9,800,000	\$ 10,697,167	\$ 7,975,000	2009
Recreation Facility	1987	7.14%	\$ 14,690,000	\$ 15,701,618	\$ 975,000 (11)	2009
Recreation Facility Refunding	1994	4.57%	\$ 13,060,000	\$ 6,315,043	\$ 12,820,000 (6)	2010
Student Health Facility	1995	5.36%	\$ 5,140,000	\$ 3,068,665	\$ 5,140,000	2013
Subtotal			\$ 92,990,000	\$ 50,611,708 (5)	\$ 60,655,000	
PROJECT NOTES:						
Academic Buildings:	1992	4.70%	\$ 7,100,000	\$ 1,195,758	-	(12) 1995
UNIVERSITY TOTAL			<u>\$ 346,735,000</u>	<u>\$ 199,246,910 (5)</u>	<u>\$ 185,635,000</u>	

Notes:

- (1) As of June 30, 1995.
- (2) Bonds issued as variable rate securities with option to convert to fixed rate. Conversion to fixed rate completed June 1, 1989.
- (3) Issues refunded December, 1986.
- (4) Issue refunded July, 1987.
- (5) Figure does not include variable rate interest on Utility Revenue bonds or interest on refunded and/or defeased bonds.
- (6) Advance refunding bonds.
- (7) Capital Appreciation Bonds; rate shown is T.I.C. (True Interest Cost).
- (8) Issue refunded October, 1991.
- (9) Issue refunded May, 1992.
- (10) Issue refunded December, 1993.
- (11) Callable maturities ('98 - '09) refunded February, 1994.
- (12) Issue refunded June, 1995.

**STATE BOARD OF REGENTS
REVENUE BONDS FOR THE UNIVERSITY OF NORTHERN IOWA
AS OF 30 JUNE 1995**

<u>Type of Revenue Bonds</u>	<u>Year of Issue</u>	<u>Net Interest Rate</u>	<u>Initial Principal</u>	<u>Total Interest Costs</u>	<u>Principal Outstanding (1)</u>	<u>Payout Year</u>
ACADEMIC REVENUE BONDS	1971	4.02%	\$ 3,330,000	\$ 1,834,433	\$ -	1991
	1972	5.10%	\$ 3,500,000	\$ 1,812,134	\$ -	1992
	1977	5.04%	\$ 8,775,000	\$ 5,179,750	\$ 1,000,000	1997
	1981	9.73%	\$ 5,315,000	Refunded	Refunded	(2)
	1983	7.73%	\$ 8,515,000	Refunded	Refunded	(6)
	1986	6.47%	\$ 5,250,000	\$ 3,538,118	\$ 3,300,000	(3) 2002
	1987	7.27%	\$ 6,000,000	Refunded	Refunded	(7)
	1988	7.05%	\$ 8,200,000	\$ 10,139,122	\$ 7,450,000	2013
	1991	6.21%	\$ 5,530,000	\$ 5,995,951	\$ 5,460,000	2015
	1992	5.91%	\$ 3,900,000	\$ 3,874,276	\$ 3,860,000	2015
	1992	4.87%	\$ 5,975,000	\$ 1,536,973	\$ 4,145,000	(3) 2003
	1993	4.82%	\$ 7,440,000	\$ 5,252,480	\$ 7,390,000	2015
	1993	4.58%	\$ 6,520,000	\$ 3,515,528	\$ 6,410,000	(3) 2012
	1994	4.95%	\$ 2,180,000	\$ 1,499,630	\$ 2,160,000	(8) 2015
	1995	6.05% (9)	\$ 9,201,461	\$ 8,985,539	\$ 9,201,461	2015
1995	6.15%	\$ 5,810,000	\$ 6,359,495	\$ 5,810,000	2020	
Subtotal			\$ 95,441,461	\$ 59,523,429	(5) \$ 56,186,461	
DORMITORY SYSTEM	1964	3.62%	\$ 6,250,000	\$ 5,840,195	\$ 2,370,000	2004
	1965	3.75%	\$ 3,050,000	\$ 2,337,831	\$ 450,000	1998
	1967	3.94%	\$ 6,200,000	\$ 6,435,185	\$ 3,250,000	2005
	1992	6.05%	\$ 9,145,000	\$ 10,023,843	\$ 8,875,000	2018
Subtotal			\$ 24,645,000	\$ 24,637,054	\$ 14,945,000	

**STATE BOARD OF REGENTS
REVENUE BONDS FOR THE UNIVERSITY OF NORTHERN IOWA
AS OF 30 JUNE 1995**

<u>Type of Revenue Bonds</u>	<u>Year of Issue</u>	<u>Net Interest Rate</u>	<u>Initial Principal</u>	<u>Total Interest Costs</u>	<u>Principal Outstanding (1)</u>	<u>Payout Year</u>
SELF-SUPPORTING FACILITIES						
University Union	1967	4.43%	\$ 835,000	\$ 689,000	\$ 95,000	1997
University Union	1967	3.00%	\$ 500,000	Defeased	Defeased (4)	
Field House (UNI-Dome)	1974	6.99%	<u>\$ 2,500,000</u>	<u>\$ 3,658,200</u>	<u>\$ 1,365,000</u>	2005
Subtotal			\$ 3,835,000	\$ 4,347,200 (5)	\$ 1,460,000	
PROJECT NOTES:						
Academic Buildings	1991	5.28%	\$ 2,180,000	\$ 354,853	-	1994
UNIVERSITY TOTAL			<u>\$ 126,101,461</u>	<u>\$ 88,862,536 (5)</u>	<u>\$ 72,591,461</u>	

Notes:

- (1) As of June 30, 1995.
- (2) Issue refunded December, 1986.
- (3) Advance refunding bonds.
- (4) Defeased through purchase from U.S., February, 1987.
- (5) Figures does not include interest on refunded and/or defeased bonds.
- (6) Issue refunded November, 1992.
- (7) Issue refunded October, 1993.
- (8) Refunding of 1991 Project Notes.
- (9) Capital Appreciation Bonds; rate shown is T.I.C. (True Interest Cost).